

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4048/1dn
MES:jld:jf

January 16, 2004

Senator Kanavas:

As I discussed briefly with Jeremy of your staff, this bill is drafted rather broadly. Under the bill, for example, a taxpayer could sell a stock and reinvest the gain in a capital asset, such as an automobile for personal use, and claim the deferral. Also, if the bill becomes law, it may cause some complex record-keeping requirements for taxpayers because the federal treatment and Wisconsin treatment of the basis of certain assets would be different, leading to the use of separate depreciation schedules for federal and Wisconsin tax purposes. You may wish to discuss this bill with the Department of Revenue.

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